



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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CC: M/047/022

December 18, 2002

Dan O'Leary
Crown Asphalt Ridge, LLC
150 West Jefferson Avenue
Suite 1700
Detroit, Michigan 48226

Re: Resolution of Issues in March 7, 2001 Letter, Crown Asphalt Corporation,
Asphalt Ridge Mine, M/047/032, Uintah County, Utah

Dear Mr. O'Leary:

On March 7, 2001, we wrote you asking for clarification and resolution of various issues relating to the Asphalt Ridge Mine. You responded on September 20, 2001, with a letter and map designed to resolve many of the issues. On July 31, 2002, we received a copy of a working agreement between Crown and Uintah County.

After reviewing the information provided, we have determined that your responses answer the questions in our letter, but there are additional issues that will still need to be addressed as part of the bond review and in the permit transfer process. Our questions from the March 7, 2001 letter, and your responses are summarized below:

1. Discrepancies between acreages reported in annual reports.

Response: You were not able to determine the reasons for the discrepancies, but information you submitted clarifies the disturbed area acreages.

2. The agreement between Uintah County and Crown lacked the date and the signature of Jay Mealey for Crown.

Response: You have submitted a copy of a fully signed agreement between Crown and the County.

3. The September 1, 2000, map from Crown lacked an acreage figure, and the Division asked you to either confirm the figure it obtained from measuring the disturbed area on the map, or provide a figure of your own.

Response: You provided a new map showing Crown's disturbed area and giving the total disturbed area acreage as 27.8 acres. Of this, 10.8 acres is in the extraction facility in Section 30, Township 4 South, Range 21 East, SLBM, and 17.0 acres is in Section 31 of this same Township.

4. Division measurements of the processing plant show about 10.1 acres of disturbance, but the plan submitted in 1996 indicates the disturbed area would be five acres. The additional disturbance will need to be accounted for in the bond review.

Response: The area disturbed for the plant/processing facilities area, which includes the office, parking, and product loading areas and the roads, is 10.8 acres. You also indicated that although this will need to be accounted for in the bond, it may not cause a net increase in the acreage being bonded.

5. The current reclamation contract describes the disturbance area as 25.5 acres and a reclamation surety amount of \$138,701 in 2001 dollars. The Division estimated the disturbance area as 28.1 acres, so this difference in acreage will need to be accounted for.

Response: Crown's GPS survey shows the disturbed area as being 27.8 acres. While this is greater than the 25.5 acres in the reclamation contract, a portion of Crown's mining disturbed area is also included in the Uintah County disturbed area as shown on a map plotted by the Division on March 24, 2000. For this reason, the actual area for which Crown is responsible may be less than the acreage shown in the reclamation contract.

The agreement between Uintah County and Crown provides some direction concerning this last question and response. This agreement says Crown will be responsible for reclamation of the disturbed areas within Section 31 (17.0 acres), so although the disturbed areas overlap in this area, the agreement indicates Crown has accepted this reclamation responsibility.

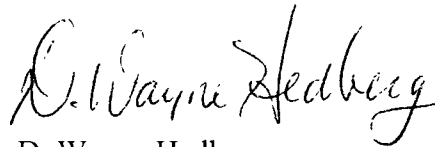
The processing area of 10.8 acres is currently permitted and bonded by Crown, but the agreement between the County and Crown says Uintah County will be responsible for reclamation of disturbances in Section 30 where the plant facilities are located. Crown and the County can work out any agreement they desire for reclamation of this area, but unless the reclamation responsibility, including the bonding liability, is transferred to Uintah County, the Division will still hold Crown officially responsible for reclamation of the processing area.

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The Division has not yet begun its standard five-year review of the bond amount, but anticipates commencing this review shortly. At that time, it will be necessary to correct the acreage figures shown in the existing reclamation contract. We can also attach in this contract, the more recent maps that you have supplied.

Thank you for your cooperation in resolving these difficult issues. If you have any questions about this letter, please call me at 801-538-5286, or Paul Baker at 801-538-5261.

Sincerely,

A handwritten signature in cursive script, reading "D. Wayne Hedberg".

D. Wayne Hedberg
Minerals Permit Supervisor

jb
cc: Paul Felch, Uintah County Roads Department
Mary Ann Wright, OGM
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